The Conference Board

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A Monthly Report from the Consumer Research Center May 1991

Consumer Confidence Survey

April results

Concern with Prevailing Conditions but Expectations Remain High

The measure of consumer confidence, which chalked up a stunning 22-point gain in March, retreated marginally in April. The current reading of the Confidence Index (1985=100) is 79.2, a loss of a modest two points for the month. People continue to be optimistic about the future but increasingly concerned with the present state of the economy. Buying plans are mixed.

In looking ahead to the next six months, the sharp improvement in the consumer's spirits following the end of the Gulf War in March, was almost fully sustained in April. About one out of every four survey respondents believe that business conditions will improve in the months ahead, less than one out of every ten fear they will worsen. On balance, these favorable readings are similar to those recorded in the preceding survey. The current level of the Expectations component of the Confidence Index is about where it was in April a year ago.

However, while people remain positive in their expectations for the immediate future, they are more concerned with prevailing economic conditions than they were a month ago. In the latest probe, a mere 9.3 percent of respondents say that jobs are "plentiful," while 36 percent say they are "hard to get." These figures are somewhat less favorable than in the preceding month. In fact, people are now more negative about jobs than they have been during this entire recession period. Also, their assessment of general business conditions continues to reflect more concern. In April, 11.5 percent of those contacted consider business conditions to be "good," but close to 36 percent say they are "bad." These figures are marginally weaker than in March.

Plans to buy an automobile registered a gain in April after declining somewhat in March. In the latest survey, 7.5 percent of all respondents say that they intend to purchase a car. Automobile buying plans over the past three months have been a good deal more positive than in the prior three months. However, plans to purchase a home, which had registered fairly good gains in recent months, declined in April. Now, only 2.7 percent of all those contacted say they plan to buy a home, down sharply from the preceding month. There was also a decline in the number of those that plan to purchase a major appliance.

The Board's Consumer Confidence Index is classified as a leading economic indicator by the U.S. Department of Commerce. The history of this series as a business-cycle indicator is carried in that agency's monthly publication, Survey of Current Business.

Although the Consumer Confidence Index was off marginally in April, it is reassuring that people's optimistic expectations, which had improved dramatically in March, were fully sustained. There had been some concern that the euphoria, which came with the ending of the Gulf war, would subside. However, people continue to be optimistic in their expectations for the immediate future. The level of consumer expectations has been historically a fairly consistent leading indicator of subsequent economic developments.

Fabian Linden

Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

Business **Employment** **Income**

All series seasonally adjusted	1990 Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.	Mar(r)	Apr(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	107.3	107.3	102.4	101.7	84.7	85.6	62.6	61.7	61.2	55.1	59.4	81.1	79.2
Present Situation	119.4	117.8	111.1	116.6	100.4	97.5	73.2	70.3	63.3	54.7	53.1	51.7	43.0
Expectations	99.2	100.3	96.6	91.8	74.2	77.7	55.6	56.1	59.8	55.3	63.6	100.7	100.0
Appraisal of Present Situation: Percent													
Business Conditions													
Good	23.8	23.1	22.6	23.4	20.8	19.4	14.2	14.4	13.3	11.1	11.7	11.6	11.5
Bad	19.3	19.7	20.1	20.7	23.5	24.6	28.9	29.8	30.3	34.4	33.3	34.2	35.9
Normal	56.9	57.2	57.3	55.9	55.7	56.0	56.9	55.8	56.4	54.5	55.0	54.2	52.6
Employment													
Jobs plentiful	26.6	26.9	23.4	25.6	21.4	20.6	15.3	13.7	12.4	11.4	10.0	10.4	9.3
Jobs not so plentiful	51.1	50.2	52.9	52.3	52.8	54.3	54.9	56.9	55.9	55.5	56.8	53.9	54.7
Jobs hard to get	22.3	22.9	23.7	22.1	25.8	25.1	29.8	29.4	31.7	33.1	33.2	35.7	36.0
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	17.2	18.5	17.5	17.3	13.7	15.1	12.0	10.9	12.1	11.8	14.4	27.7	25.2
Worse	9.2	9.7	10.4	11.9	18.7	20.4	29.7	29.6	25.6	28.1	24.3	10.6	9.3
Same	73.6	71.8	72.1	70.8	67.6	64.5	58.3	59.5	62.3	60.1	61.3	61.7	65.5
Employment													
More jobs	15.4	15.9	15.5	14.6	11.3	13.9	9.5	9.9	9.9	9.0	11.6	20.8	19.6
Fewer jobs	16.2	16.3	16.5	18.0	22.7	23.2	34.9	34.9	33.9	35.3	31.4	19.1	17.8
Same	68.4	67.8	68.0	67.4	66.0	62.9	55.6	55.2	56.2	55.7	57.0	60.1	62.6
Income													
Increase	29.3	26.6	27.2	27.8	24.2	26.5	19.5	22.4	22.3	19.8	20.9	23.3	20.4
Decrease	6.3	5.2	7.0	7.8	8.5	8.7	11.0	11.5	10.4	11.1	11.6	8.7	8.7
Same	64.4	68.2	65.8	64.4	67.3	64.8	69.5	66.1	67.3	69.1	67.5	68.0	70.9
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	6.2	8.3	8.4	8.8	7.5	7.8	6.3	6.5	6.2	6.0	7.5	6.6	7.5
New	3.7	4.0	4.0	3.3	4.3	3.8	3.3	2.2	2.9	3.0	3.7	3.3	3.9
Used	2.1	3.1	3.3	4.6	2.9	2.7	2.0	3.2	2.8	2.4	3.0	2.6	3.1
Uncertain	0.4	1.2	1.1	0.9	0.3	1.3	1.0	1.1	0.5	0.6	0.8	0.7	0.5
Home													
Yes	2.9	3.9	3.6	4.3	3.0	2.9	2.9	2.6	2.7	2.6	3.0	4.2	2.7
New	0.8	1.1	0.9	0.8	1.0	0.8	0.6	0.9	0.6	0.7	0.8	1.1	0.9
Lived in	1.4	2.0	1.8	2.5	1.3	1.2	1.7	1.4	1.5	1.3	1.5	2.1	1.1
Uncertain	0.7	0.8	0.9	1.0	0.7	0.9	0.6	0.3	0.6	0.6	0.7	1.0	0.7
Major appliances													
Total plans	31.3	22.7	28.8	27.4	32.8	30.3	26.0	25.3	26.9	27.4	28.0	32.5	26.6
Refrigerator	4.5	5.2	4.4	4.4	5.4	4.8	3.6	3.7	4.1	4.4	4.9	5.3	3.6
Washing machine	3.6	3.7	4.1	4.2	4.3	3.9	3.6	3.1	3.5	3.9	4.3	4.6	3.6
TV Set	7.8	0.0	6.9	6.3	7.8	7.7	7.0	6.8	7.1	6.9	6.6	8.5	6.9
Vacuum Cleaner	6.0	5.3	4.5	4.4	6.1	5.7	4.1	4.5	4.7	5.0	4.6	5.5	4.8
Range	3.5	3.0	3.0	3.2	2.7	3.0	2.9	2.3	3.0	2.7	2.9	2.9	2.3
Clothes dryer	3.8	3.3	3.9	2.7	4.0	3.2	3.2	2.7	3.0	2.9	3.1	4.0	3.6
Air conditioner	2.1	2.2	2.0	2.2	2.5	2.0	1.6	2.2	1.5	1.6	1.6	1.7	1.8
Carpet	6.2	6.2	6.6	7.0	7.3	6.7	5.9	5.1	5.6	6.2	5.7	6.8	5.8
Vacation Intended Within Six Months: Percent													
Vacation Intended	48.1		48.6		48.9		45.9		47.4		45.8		46.3
Destination													
U.S.	41.1		42.2		41.8		40.0		41.4		41.0		41.1
Foreign country	8.8		8.1		9.2		7.5		7.3		6.4		6.7
Means of Travel													
Automobile	28.6		29.4		29.4		27.7		27.9		28.5		27.5
Airplane	18.8		19.4		17.9		16.4		17.5		16.3		17.9
Other	3.7		3.3		4.6		3.9		3.7		3.9		4.1

(p)—preliminary (r)—revised

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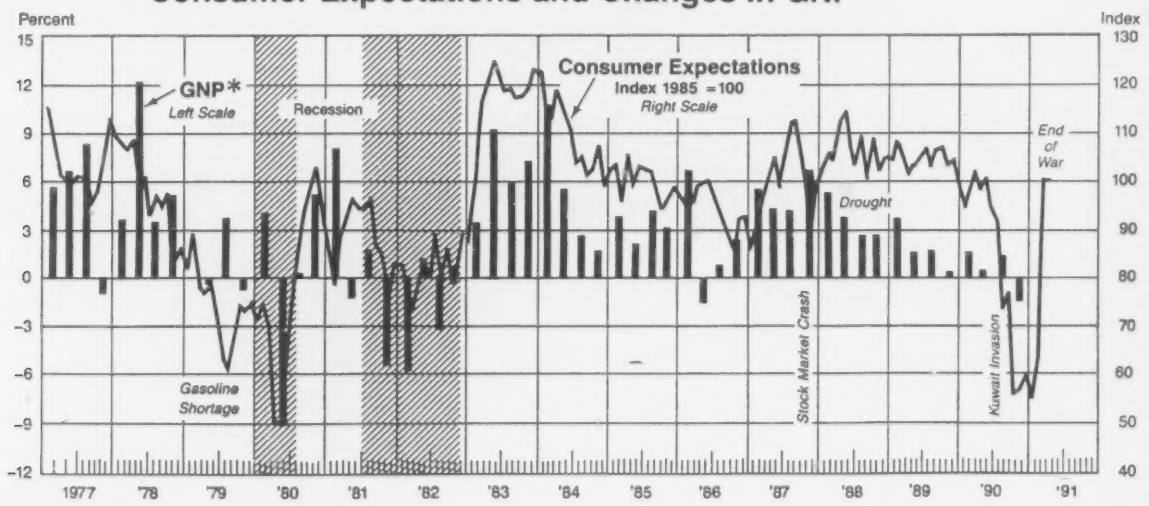
Inflation **Interest Rates** **Stock Prices**

Not Seasonally Adjusted	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar(r)*	*Apr(p)*
	1990									*1991*			
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.9	4.9	4.9	4.9	5.4	5.7	6.4	5.9	5.8	5.5	5.2	4.7	4.8
Interest Rates													
Higher	54.5	62.6	56.2	49.5	58.4	64.2	57.4	53.2	49.8	33.4	34.4	42.8	44.8
Same	28.2	23.2	25.3	29.3	20.9	18.8	18.0	21.9	19.9	20.8	22.2	25.3	28.0
Lower	17.3	14.2	18.5	21.2	20.7	17.0	24.6	24.9	30.3	45.8	43.4	31.9	27.2
Stock Prices													
Increase	36.8	38.7	43.6	38.5	30.3	31.4	26.8	25.8	27.4	26.3	37.8	46.6	43.2
Same	37.4	37.0	34.8	36.7	30.9	28.8	25.0	28.2	30.0	29.9	31.1	31.7	34.9
Decrease	25.8	24.3	21.6	24.8	38.8	39.8	48.2	46.0	42.6	43.8	31.1	21.7	21.9

All series seasonally adjusted	*Apr.*	*May*	*June*	*July*	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar(r)*	*Apr(p)*	*3 mos. Percent Change**
	1990									*1991*				
Consumer Confidence Index, 1985 = 100														
AGE OF HOUSEHOLD HEAD														
Under 35	116.1	118.9	111.9	114.5	100.9	94.2	81.9	80.1	73.5	66.5	65.2	90.6	89.7	11.5
35-54	109.8	106.7	100.9	102.2	85.0	86.6	61.6	59.6	61.9	56.8	62.5	82.0	79.5	25.6
55 and over	94.3	95.2	94.1	88.4	70.2	76.6	50.0	50.5	50.7	42.5	50.0	69.4	68.6	30.9
HOUSEHOLD INCOME														
Under $15,000	78.7	83.2	75.4	79.8	59.0	71.6	50.7	46.4	54.2	41.4	47.0	60.3	63.4	20.2
$15,000-24,999	106.1	103.1	91.9	98.8	83.4	80.7	55.0	62.9	55.4	49.4	54.9	72.1	73.9	19.8
$25,000-34,999	113.7	107.2	105.2	103.0	91.5	84.1	66.7	63.4	63.0	59.3	61.9	85.3	76.7	20.6
$35,000-49,999	117.6	122.2	120.4	106.6	94.4	95.1	69.9	73.3	64.7	63.3	64.8	87.9	84.2	17.7
$50,000 and over	123.8	121.6	121.7	116.9	100.2	94.5	71.9	67.6	69.0	64.6	69.0	98.2	97.2	31.4

***Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.**

Consumer Expectations and Changes in GNP



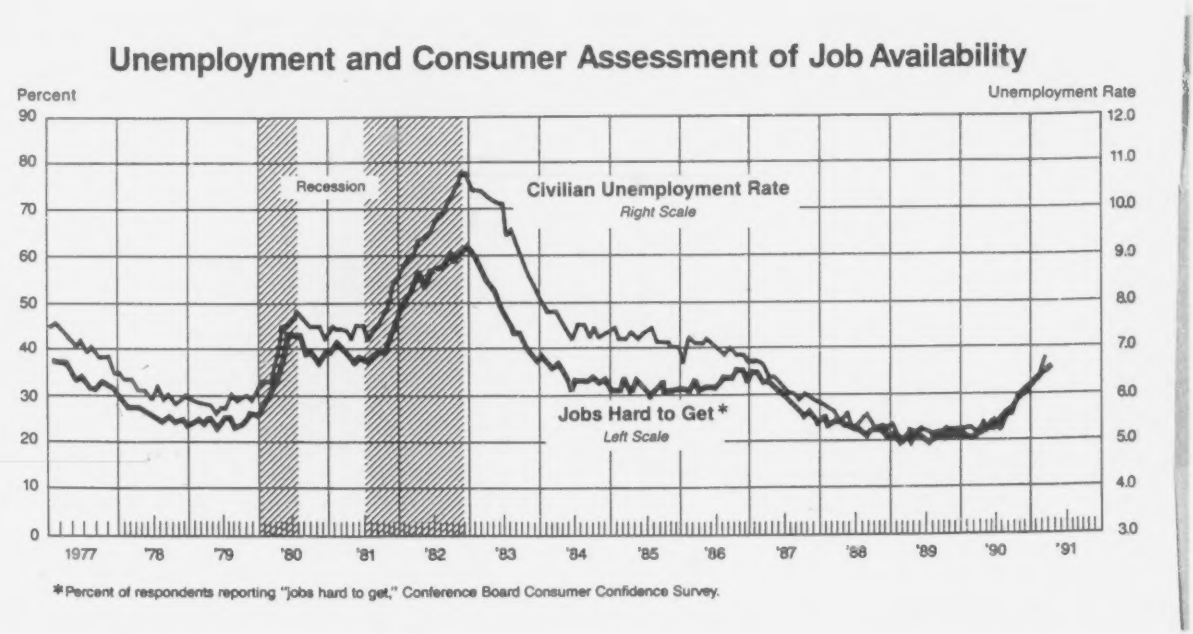
*Quarterly changes in real GNP at annual rates.

U.S. Department of Commerce; NFO Research Inc.; The Conference Board.

CONSUMER CONFIDENCE BY REGION

Seasonally unadjusted Index numbers: 1985=100	1990 Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	1991 Jan.	Feb.	Mar(r)	Apr(p)	AVERAGE: Feb., Mar., Apr. 1990	1991	Percent Change
NEW ENGLAND																
Consumer Confidence Index	64.6	69.9	51.6	42.5	29.2	39.4	23.0	26.3	26.9	29.6	37.3	53.5	52.5	76.9	47.8	-37.9
Present Situation	71.9	68.2	53.3	38.3	22.5	29.9	9.2	10.8	8.8	6.5	3.6	3.1	5.6	91.3	4.1	-95.6
Expectations	59.7	71.1	50.5	45.4	33.8	45.8	32.2	36.7	38.9	45.0	59.8	87.1	83.7	67.3	76.9	14.3
MIDDLE ATLANTIC																
Consumer Confidence Index	95.1	99.7	91.5	86.0	69.8	75.7	56.9	47.8	47.3	46.2	48.9	72.6	66.2	98.4	62.6	-36.4
Present Situation	108.9	106.6	111.9	104.7	92.2	96.6	74.3	52.9	48.2	38.4	33.6	33.3	26.4	115.5	31.1	-73.1
Expectations	85.9	95.1	78.0	73.5	54.8	61.7	45.3	44.4	46.8	51.4	59.1	98.8	92.8	86.9	83.6	-3.8
EAST NORTH CENTRAL																
Consumer Confidence Index	108.3	109.0	102.3	104.1	88.8	87.8	72.7	65.7	60.9	56.4	55.0	80.8	79.3	107.1	71.7	-33.0
Present Situation	123.4	127.0	118.1	125.3	111.1	113.5	101.2	87.4	80.6	66.7	49.9	53.4	51.5	119.2	51.6	-56.7
Expectations	98.2	97.0	91.7	90.0	73.9	70.7	53.6	51.2	47.8	49.5	58.5	99.0	97.9	99.0	85.1	-14.0
WEST NORTH CENTRAL																
Consumer Confidence Index	101.9	92.8	94.2	94.1	78.7	68.7	67.2	61.0	54.3	61.1	54.5	76.5	73.0	97.4	68.0	-30.2
Present Situation	106.1	110.3	103.9	116.6	94.1	83.6	87.5	78.7	62.3	65.7	56.2	53.6	48.9	104.1	52.9	-49.2
Expectations	99.0	81.2	87.8	79.1	68.4	58.8	53.7	49.2	49.0	58.0	53.3	91.9	89.2	93.0	78.1	-16.0
SOUTH ATLANTIC																
Consumer Confidence Index	121.4	122.6	128.9	119.9	95.9	98.0	74.0	69.4	63.5	59.2	69.9	86.0	85.9	125.6	80.6	-35.8
Present Situation	146.4	147.0	149.2	146.9	121.3	126.3	95.4	87.9	74.5	63.4	59.3	44.5	56.1	150.5	53.3	-64.6
Expectations	104.7	106.4	115.4	101.9	79.0	79.1	59.8	57.1	56.1	56.4	77.0	113.7	105.8	109.0	98.8	-9.3
EAST SOUTH CENTRAL																
Consumer Confidence Index	91.7	79.4	87.7	96.4	76.6	90.1	55.9	47.9	64.9	50.7	58.5	85.9	75.2	93.6	73.2	-21.8
Present Situation	84.8	68.1	79.3	102.8	82.9	102.4	59.7	47.4	63.4	39.2	50.4	45.8	38.0	83.8	44.7	-46.6
Expectations	95.2	86.9	93.3	92.1	72.4	81.9	53.3	48.3	65.8	58.4	63.9	112.6	100.1	100.2	92.2	-8.0
WEST SOUTH CENTRAL																
Consumer Confidence Index	92.0	90.5	78.9	84.7	77.5	90.6	63.5	71.8	70.0	60.3	66.5	84.3	77.0	93.6	75.9	-18.9
Present Situation	60.1	58.4	51.7	59.1	58.3	62.5	44.0	47.1	54.3	42.1	40.0	45.7	46.5	58.8	44.1	-25.1
Expectations	113.4	111.9	97.1	101.8	90.3	109.4	76.5	88.3	80.4	72.4	84.2	110.0	97.3	116.8	97.2	-16.8
MOUNTAIN																
Consumer Confidence Index	104.3	101.0	97.2	99.3	72.0	108.5	62.5	68.6	77.1	67.9	65.8	83.2	93.8	97.8	80.9	-17.2
Present Situation	74.9	82.2	75.8	88.0	64.1	96.5	51.4	60.6	58.7	51.4	38.4	58.9	54.6	70.7	50.6	-28.4
Expectations	123.9	113.5	111.5	106.8	77.2	116.5	70.0	74.0	89.3	78.9	84.0	99.5	119.9	115.8	101.1	-12.7
PACIFIC																
Consumer Confidence Index	126.1	127.5	119.6	121.9	108.3	105.6	88.0	92.0	80.0	70.3	84.9	101.1	93.2	134.8	93.1	-31.0
Present Situation	160.6	165.2	151.0	168.1	153.8	143.4	120.0	134.1	113.2	78.1	94.3	85.8	68.0	167.7	82.7	-50.7
Expectations	103.2	102.4	98.7	91.1	77.9	80.4	66.7	63.9	57.9	65.1	78.6	111.3	110.0	112.9	100.0	-11.5

*Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.



*Percent of respondents reporting "jobs hard to get," Conference Board Consumer Confidence Survey.